GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4000
ANSWERED ON:09.12.2016
Foreign Banks
Sawant Shri Arvind Ganpat

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has given permission to foreign banks to open their branches in unbanked/rural areas in the country;

(b) if so, the details thereof;

(c) whether the Government has formulated any policy to keep a check on these banks; and

(d) if so, the details thereof along with the other steps taken/being taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance

(a) & (b): Reserve Bank of India (RBI) has given permission to foreign banks for opening branches in rural areas. The details of rural branches of foreign banks in India are as under:

Sl. No.	Name of the foreign bank	No of rural branches
1	Australia and New Zealand Banking Group Ltd.	1
2	DBS Bank Ltd.	2
3	Deutsche Bank AG	1
4	Shinhan Bank	1
5	Standard Chartered Bank PLC	1
6	The Bank of Tokyo Mitshubishi UFJ Ltd.	1

(c) & (d): RBI monitors the operations of all foreign banks in India including their operations in rural areas. Currently there are no regulatory direction from RBI on opening branches in unbanked / rural areas for foreign banks operating in India. However, RBI through moral suasion encourages foreign banks to open branches in unbanked / rural areas. RBI's general directions on operations of branches in rural/unbanked areas are also applicable to the branches of foreign banks.

****